

**MINUTES OF THE
MOTION PICTURE TASK FORCE**

Wednesday, September 22, 2004 – 9:00 a.m. – Room W020 House Building

Members Present:

Sen. James Evans, Senate Chair
Rep. Sheryl L. Allen, House Chair
Sen. Ron Allen
Sen. Parley Hellewell
Rep. Karen W. Morgan
Alesia Bischoff
Roger Browne
David Buhler
Leigh Von Der Esch
Bryan Clifton
Jeff Simpson
Katy Sine

Members Absent:

Rep. Dana C. Love
Al Henderson
Jim Olsen
Steve White

Staff Present:

Ms. Jami Momberger, Policy Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present and a copy of related materials can be found at www.leg.utah.gov or by contacting the committee secretary, Glenda Whitney, at 538-1032. A recording of the meeting is available from the committee secretary.

1. Task Force Business

Chair Allen called the meeting to order at 9:04 a.m.

MOTION: Rep. Allen moved to approve the minutes of the August 31, 2004 meeting. The motion passed unanimously.

2. Distinct Film Incentive Fund Concept

Mr. Mark Renda, Director, Industrial Assistance Fund, distributed and presented an overview on the "Utah Film Incentive Fund Legislative Concept Document" that was distributed in the Task Force mailing packet. He reviewed key policy decisions and the purpose of the fund in strengthening Utah's film production industry and workforce.

Rep. Allen turned the chair over to Sen. Evans.

Ms. Leigh Von Der Esch distributed a letter from Mr. Tom Luse, Producer, Everwood Utah, Inc., that addressed successful production incentives and offered concepts as a guideline for developing incentives to attracting production.

Ms. Leigh Von Der Esch distributed a handout, "The Mississippi Motion Picture Incentive Act" and briefed the Task Force on Mississippi's motion picture incentive program.

Mr. Jeff Chamberlain, industry consultant from Deer Valley and Beverly Hills, addressed the Task Force and made himself available for comment during the meeting. He commented on film incentives for attracting producers.

MOTION: Rep. Allen moved to direct staff to draft legislation following Option A, from the "Utah Film Incentive Fund Legislative Concept Document," to include caps on incentives and to present this draft legislation at the next meeting. The motion passed unanimously.

3. Development Zones for Film Industry

Mr. James L. Wilson presented an overview on past legislation, sponsored by Rep. Dee that addressed the creation of Aerospace and Aviation Development Zones. He also identified what the Department of Community and Economic Development is proposing regarding legislation that would expand the development zone concept to other entities as an incentive to attract new businesses into the state.

Mr. Jeff Chamberlain discussed the risk factors in creating these types of incentives.

Mr. Mark Renda briefed the Task Force on a proposal for legislation regarding the expansion of development zones and discussed tax rebates as incentives.

MOTION: Rep. Allen moved to direct the Department of Community and Economic Development, along with Rep. Morgan, to carry the message of the task force and the film industry, to be a part of the development zone legislation to be presented at the Workforce Services and Community and Economic Development Interim Committee meeting in November. The motion passed unanimously.

Rep. Allen suggested a discussion of a feasibility study on sound stages and the state fair park be placed on the agenda for the next meeting.

4. Public Comment on Film Incentives

Mr. Ryan Behunin, representing the film industry, commented on infrastructure and the need for incentives.

Mr. Scott Sabey, Motion Picture Association of America, spoke in support of the actions of the task force. He distributed a letter from Angela H. Miele, Vice President, Motion Picture Association of America Inc., that contained written comments and recommendations on appropriate financial incentives that the state should consider to enhance the state's film industry.

Mr. Kempton H. Paige, professional background actor, discussed the advantages of working in Utah.

Mr. Tim Nelson, New Movie Corporation, explained the plans for film production at the state fair park and addressed concerns with losing skilled labor to other states.

5. Withholding Taxes for Live Performers

Ms. Lynn Solarczyk, Tax Policy and Legislation Coordinator, Utah State Tax Commission, discussed withholding taxes on live entertainers performing in Utah, including the Missouri model for withholding taxes and exemptions for live entertainers.

MOTION: Rep. Allen requested that at the October meeting, the State Tax Commission report on other states withholding methods for live entertainers, including any known negative impacts in other states already using the withholding system. The motion passed unanimously.

6. Other Items / Adjourn

Chair Evans indicated that the next meeting of the task force was scheduled for Thursday, October 21, 2004 at 9:00 a.m.

Sen. Allen requested that the task force discuss sales tax exemptions on film, video, props, and associated materials in the next meeting.

MOTION: Sen. Hellewell moved to adjourn the meeting. The motion passed unanimously. Chair Evans adjourned the meeting at 11:11 a.m.